

Department of the Treasury
Internal Revenue Service
District Director

Date of This Notice:
Letter Number 531
Taxpayer Identifying Number:
444-78-3758
Form: 1040
Person to Contact:
90-Day Unit
Telephone Number:
(405) 297-4087

Lindsey K. Springer
5147 South Harvard
Suite 116
Tulsa, Oklahoma 74135

CERTIFIED MAIL

TP "C"
23 pages

| Tax Year Ended: | December 31, 1990 | December 31, 1991 | December 31, 1992 |
|-----------------|-------------------|-------------------|-------------------|
| Deficiency: | | | |
| Increase in tax | \$ 7,679 | \$ 7,979 | \$ 8,084 |
| Penalties | | | |
| IRC 6651(a)(1) | \$ 1,920 | \$ 1,995 | \$ 2,021 |
| IRC 6654 | \$ 507 | \$ 457 | \$ 351 |

Dear Taxpayer:

--NOTICE OF DEFICIENCY--

We have determined that you owe additional tax or other amounts, or both as shown for the tax year(s) identified above. This letter is your NOTICE OF DEFICIENCY, as required by law. The enclosed statement shows how we figured the deficiency.

If you want to contest this determination in court before making any payment, you have 90 days from the date of this letter (150 days if addressed to you outside of the United States) to file a petition with the United States Tax Court for a redetermination of the deficiency. For a petition form, write to:

United States Tax Court
400 Second Street, NW
Washington, DC 20217

Send the completed petition form, a copy of this letter, and all relevant statements or schedules that accompanied this letter to the Tax Court at the same address. The petition must be timely filed with the court within 90 days from the above mailing date (150 days if addressed to you outside of the United States). However, if the petition is filed after the 90 day (or 150 day) period, it is considered timely filed if the postmark date falls within the prescribed period and the envelope containing the petition is properly addressed with the correct postage.

The time for filing a petition with the Court (90 or 150 days as the case may be) is set by law and cannot be extended or suspended. Thus, contacting the

(continued next page)

55 North Robinson
Oklahoma City, OK 73102

Service for more information or receiving other correspondence from the Service will not change the period for filing a petition with the Tax Court. The court cannot consider your case if the petition is filed late.

If this letter is addressed to both a husband and wife, and both want to petition the Tax Court, both must sign and file the petition or each must file a separate, signed petition. If more than one year is shown above, you only need to file one petition form showing the years you are contesting.

The Tax Court has a simplified procedure for small tax cases, when the dispute is for \$10,000 or less for any one tax year. You can get information about this procedure, as well as a petition form you can use, by writing to:

Clerk of the United States Tax Court
400 Second Street, NW
Washington, DC 20217

Do this promptly if you intend to file a petition with the Tax Court.

You may represent yourself before the Tax Court, or you may be represented by anyone admitted to practice before the court.

If you decide not to file a petition with the Tax Court, please sign and return the enclosed waiver form. This will permit us to assess the deficiency quickly and can help limit the accumulation of interest. The enclosed envelope is for your convenience.

If you decide not to sign and return the waiver and you do not file a petition with the Tax Court within the time limit, the law requires us to assess and bill you for the deficiency after 90 days from the above mailing date of this letter (150 days if this letter is addressed to you outside the United States).

If you have any questions about this letter, please write to the person whose name and address are shown on this letter. If you write, please attach this letter to help us identify your account. Keep the copy for your records. Also, please include your telephone number and the most convenient time to call, so we can contact you if we need additional information.

If you prefer, you may call the IRS contact person at the telephone number shown above. If this number is outside your local calling area, there will be a

(continued next page)

long distance charge to you. You may call the IRS telephone number listed in your directory. An IRS employee there may be able to help you, but the contact person at the address shown on this letter is most familiar with your case.

Thank you for your cooperation.

Sincerely,

Commissioner
By

Norman Botsford

Norman Botsford
Chief, Examination Division

Enclosures:
Waiver
Envelope

KATHY-BIRD

| | | |
|---|---|-----------------------|
| FORM 4089 | Department of Treasury - Internal Revenue Service | Symbols E:ESP:4060 |
| NOTICE OF DEFICIENCY - WAIVER | | |
| Name, SSN or EIN, and Address of Taxpayer(s) | | |
| Lindsey K. Springer 5147 South Harvard Suite 116 Tulsa, Oklahoma 74135 | | 444-78-3758 |

| | | | |
|--|--|-------------------|-------------------|
| Kind of Tax | <input type="checkbox"/> Copy to Authorized Representative | | |
| INCOME | | | |
| DEFICIENCY - Increase in Tax and Penalties | | | |
| Tax Year Ended: | December 31, 1990 | December 31, 1991 | December 31, 1992 |
| Deficiency: | | | |
| Increase in tax | \$ 7,679 | \$ 7,979 | \$ 8,084 |
| Penalties | | | |
| IRC 6651(a)(1) | \$ 1,920 | \$ 1,995 | \$ 2,021 |
| IRC 6654 | \$ 507 | \$ 457 | \$ 351 |

| | | |
|--|-------------|-------------|
| See the attached explanation for the above deficiencies | | |
| I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest provided by law. | | |
| Your Signature | Date signed | |
| Spouse's Signature, If A Joint Return Was Filed | Date signed | |
| Taxpayer's Representative Sign Here | Date signed | |
| Corporate Name: | | |
| Corporate Officers Sign Below | | |
| Signature | Title | Date signed |
| Signature | Title | Date signed |

(For instructions, see next page)
If you agree, please sign one copy and return it.
Keep the other copy for your records.

Instructions for Form 4089

Note:

If you consent to the assessment of the amounts shown in this waiver, please sign and return it in order to limit the accumulation of interest and expedite our bill to you. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor will it extend the time provided by law for either action.

If you later file a claim and the Internal Revenue Service disallows it, you may file suit for refund in a district court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

Who Must Sign

If this waiver is for any year(s) for which you filed a joint return, both you and your spouse must sign the original and duplicate of this form. Sign your name exactly as it appears on the return. If you are acting under power of attorney for your spouse, you may sign as agent for him or her.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed.

For a person acting in a fiduciary capacity (executor, administrator, trustee) file Form 56, Notice Concerning Fiduciary Relationship, with this form if not previously filed.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

Lindsey K. Springer

Page

TIN: 444-78-3758

Interest on Deficiencies

Interest on deficiencies will accrue from the due date of the return until paid.

Failure to File Penalty IRC section 6651(a)(1) and 6601(e)(2)

Since your income tax return(s) for the taxable year(s) ended December 31, 1990, December 31, 1991 and December 31, 1992 were not filed within the time prescribed by law, and you have not shown that such failure to timely file your return(s) was due to reasonable cause, a penalty of five (5) percent is added to the tax for each month or part of a month (but not to exceed a total of twenty-five (25) percent) for which your return was late. If your return was filed after December 31, 1982 and was more than 60 days late, the minimum penalty is the lesser of \$100 or the tax due. In addition, interest is figured on this penalty from the later of the due date of the return (including any extensions) or July 18, 1984.

Estimated Tax Penalty IRC section 6654

Since you underpaid your estimated tax for the taxable year(s) ended December 31, 1990, December 31, 1991 and December 31, 1992 the addition to the tax provided by section 6654 of the Internal Revenue Code is asserted.

Department of the Treasury - Internal Revenue Service
Income Tax Examination Changes

Name and Address of Taxpayer

Lindsey K. Springer

Social Security or Employer Identification Number

444-78-3758

Return Form No.

1040

Person with whom
examination changes
were discussed

Name and Title

1. Adjustments to income

A. Exemptions

B. Income

C. SELF-EMPLOYMENT TAX DEDUCTION

D. STANDARD DEDUCTION

E.

F.

G.

H.

I.

J.

K.

L.

M.

N.

O.

P.

Q.

R.

S.

T.

Year End: 12/31/90

Year End: 12/31/91

Year End: 12/31/92

\$ -2,050

\$ -2,150

\$ -2,300

27,710

28,865

29,634

-1,958

-2,039

-2,094

-2,725

-2,850

-3,000

2. Total adjustments

3. Taxable income per return or as previously adjusted

4. Corrected taxable income

Tax Method

Filing Status

5. Tax

6. Additional taxes

7. Corrected tax liability

Less

Credits

A.

B.

C.

D.

8. Balance (line 7 less total of lines 8A thru 8D)

9. Plus A. SELF-EMPLOYMENT TAX

Other

Taxes

C.

D.

10. Total corrected tax liability (line 9 + lines 10A - 10D)

11. Total tax shown on return or as previously adjusted

12. Adjustment to A. Earned Income Credit

B. Special Fuels Credit

13. Deficiency - Increase in tax or (Overassessment - Decrease in tax) (line 11 less line 12 adjusted by line 13)

14. Adjustment to prepayment credits

15. Balance due or Overpayment (line 14 adjusted by line 15)

(excluding interest and penalties)

20,977

21,826

22,240

0

0

0

20,977

21,826

22,240

Tax Table

Tax Table

Tax Table

Married - Separate

Married - Separate

Married - Separate

3,764

3,901

3,896

0

0

0

3,764

3,901

3,896

3,764

3,901

3,896

3,915

4,078

4,188

7,679

7,979

8,084

0

0

0

0

0

0

0

0

0

7,679

7,979

8,084

0

0

0

7,679

7,979

8,084

Internal Revenue Service has agreements with State tax agencies under which information about Federal tax, including increases or decreases, is exchanged with the States. If this change affects the amount of your State income tax, you should file the State form.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income and do not pay the required tax. The IRS may order backup withholding at 31 percent after four notices have been issued to you over a 120-day period if the tax has been assessed and remains unpaid.

Department of the Treasury - Internal Revenue Service
Income Tax Examination Charts

| | | | |
|--|---|--------------------|--------------------|
| Name of Taxpayer | Social Security or Employer Identification Number | | Return Form No. |
| Lindsey K. Springer | 444-78-3758 | | 1040 |
| Penalties | Year End: 12/31/90 | Year End: 12/31/91 | Year End: 12/31/92 |
| A. Failure to File IRC 6651(a)(1) | \$ 1,920 | \$ 1,995 | \$ 2,021 |
| B. Estimated Tax IRC 6654 | 507 | 457 | 351 |
| C. | | | |
| D. | | | |
| E. | | | |
| F. | | | |
| G. | | | |
| H. | | | |
| I. | | | |
| J. | | | |
| K. | | | |
| L. | | | |
| M. | | | |
| N. | | | |
| 18. Total penalties | \$ 2,427 | \$ 2,452 | \$ 2,372 |
| Summary of Taxes, Penalties, and Interest: | | | |
| A. Balance due or Overpayment of taxes (line 16, page 1) | 7,679 | 7,979 | 8,084 |
| B. Penalties (line 18, page 2) | 2,427 | 2,452 | 2,372 |
| C. Interest (IRC 6601) | | | |
| D. Amount due or refund (sum of lines A, B, and C) | \$ 10,106 | \$ 10,431 | \$ 10,456 |
| Note: Line D does not include interest. | | | |
| Other Information: | | | |

=====

1990 SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

| | | | |
|-----|---|---|--------|
| 1. | Total earnings from self-employment | | 27,710 |
| 2. | Earnings subject to self-employment tax (Line 1 multiplied by .9235) | | 25,590 |
| 3. | Maximum earnings subject to social security tax | | 51,300 |
| 4. | Social security wages and tips from W-2 | 0 | |
| 5. | Unreported tips from Form 4137, line 9 | 0 | |
| 6. | Sum of lines 4 and 5 | | 0 |
| 7. | Line 3 less line 6 | | 51,300 |
| 8. | Lesser of lines 2 or 7 (0 if line 2 < \$400) | | 25,590 |
| 9. | Applicable tax rate | | 15.30% |
| 10. | Line 8 multiplied by line 9 - SELF-EMPLOYMENT TAX | | 3,915 |

1990 DEDUCTION FOR ONE-HALF OF SELF-EMPLOYMENT TAX

| | | | |
|----|---|--|--------|
| 1. | Corrected self-employment tax | | 3,915 |
| 2. | Line 1 divided by 2 - ONE-HALF OF SELF-EMPLOYMENT TAX | | 1,958 |
| 3. | Self-employment Tax Deduction - Per Return | | 0 |
| 4. | Self-employment Tax Deduction - As Corrected | | 1,958 |
| 5. | Line 3 less line 4 - Adjustment to Income | | -1,958 |

1991 SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

| | | | |
|-----|---|---|------------------|
| 1. | Total earnings from self-employment | | |
| 2. | Earnings subject to self-employment tax (Line 1 multiplied by .9235) | | 28,865 26,657 |
| 3. | Maximum earnings subject to social security tax | | 53,400 |
| 4. | Social security wages and tips from W-2 | 0 | |
| 5. | Unreported tips from Form 4137, line 9 | 0 | |
| 6. | Sum of lines 4 and 5 | | 0 |
| 7. | Line 3 less line 6 | | 53,400 |
| 8. | Lesser of lines 2 or 7 (0 if line 2 < \$400) | | 26,657 |
| 9. | Applicable tax rate | | 12.40% |
| 10. | Line 8 multiplied by line 9 | | 3,305 |
| 11. | Maximum earnings subject to medicare tax | | 125,000 |
| 12. | Medicare wages and tips from W-2 | 0 | |
| 13. | Unreported tips from Form 4137, line 14 | 0 | |
| 14. | Sum of lines 12 and 13 | | 0 |
| 15. | Line 11 less line 14 | | 125,000 |
| 16. | Lesser of lines 2 or 15 (0 if line 2 < \$400) | | 26,657 |
| 17. | Applicable tax rate | | 2.90% |
| 18. | Line 16 multiplied by line 17 | | 773 |
| 9. | Line 10 plus line 18 - SELF-EMPLOYMENT TAX | | 4,078 |

1991 DEDUCTION FOR ONE-HALF OF SELF-EMPLOYMENT TAX

| | | | |
|----|---|--|--------|
| 1. | Corrected self-employment tax | | 4,078 |
| 2. | Line 1 divided by 2 - ONE-HALF OF SELF-EMPLOYMENT TAX | | 2,039 |
| 3. | Self-employment Tax Deduction - Per Return | | 0 |
| 4. | Self-employment Tax Deduction - As Corrected | | 2,039 |
| 5. | Line 3 less line 4 - Adjustment to Income | | -2,039 |

1992 SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

| | | | |
|-----|---|---|---------|
| 1. | Total earnings from self-employment | | 29,634 |
| 2. | Earnings subject to self-employment tax (Line 1 multiplied by .9235) | | 27,367 |
| 3. | Maximum earnings subject to social security tax | | 55,500 |
| 4. | Social security wages and tips from W-2 | 0 | |
| 5. | Unreported tips from Form 4137, line 9 | 0 | |
| 6. | Sum of lines 4 and 5 | | 0 |
| 7. | Line 3 less line 6 | | 55,500 |
| 8. | Lesser of lines 2 or 7 (0 if line 2 < \$400) | | 27,367 |
| 9. | Applicable tax rate | | 12.40% |
| 10. | Line 8 multiplied by line 9 | | 3,394 |
| 11. | Maximum earnings subject to medicare tax | | 130,200 |
| 12. | Medicare wages and tips from W-2 | 0 | |
| 13. | Unreported tips from Form 4137, line 14 | 0 | |
| 14. | Sum of lines 12 and 13 | | 0 |
| 15. | Line 11 less line 14 | | 130,200 |
| 16. | Lesser of lines 2 or 15 (0 if line 2 < \$400) | | 27,367 |
| 17. | Applicable tax rate | | 2.90% |
| 18. | Line 16 multiplied by line 17 | | 794 |
| 19. | Line 10 plus line 18 - SELF-EMPLOYMENT TAX | | 4,188 |

1992 DEDUCTION FOR ONE-HALF OF SELF-EMPLOYMENT TAX

| | | |
|----|---|--------|
| 1. | Corrected self-employment tax | 4,188 |
| 2. | Line 1 divided by 2 - ONE-HALF OF SELF-EMPLOYMENT TAX | 2,094 |
| 3. | Self-employment Tax Deduction - Per Return | 0 |
| 4. | Self-employment Tax Deduction - As Corrected | 2,094 |
| 5. | Line 3 less line 4 - Adjustment to Income | -2,094 |

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1990 - EXPLANATION OF THE FAILURE TO FILE PENALTY

Since your income tax return was not filed within the time limit prescribed by law and you have not shown that such failure to timely file your return was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) of the Internal Revenue Code.

| | | |
|--|---|----------|
| 1. Date return due (including extensions) | | 04/15/91 |
| 2. Substitute for return - computation date | | 02/16/96 |
| 3. Penalty rate | | 25.00% |
| 4. Total corrected tax liability, Form 4549, line 11 | | 7,679 |
| 5. Payments on or prior to due date of return | 0 | |
| 6. Corrected EIC and Special Fuels Credit | 0 | |
| 7. Line 4 less sum of lines 5 and 6 | | 7,679 |
| 8. Penalty - line 7 multiplied by line 3 | | 1,920 |
| 9. Minimum penalty if over 60 days delinquent | | 100 |
| 10. Greater of line 8 or line 9 | | 1,920 |
| 11. Failure to file penalty previously assessed | 0 | |
| 12. Concurrent failure to pay penalty assessed | 0 | |
| 13. Line 10 less sum of lines 11 and 12 | | |
| FAILURE TO FILE PENALTY DUE | | 1,920 |

1990 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, an addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

| | | | |
|----|--|---|-------|
| 1. | Total corrected tax liability, Form 4549, line 11 | | 7,679 |
| 2. | Certain other taxes | | |
| 3. | Earned income and special fuels credits | 0 | |
| 4. | Line 1 less sum of lines 2 and 3 | 0 | |
| 5. | Withholding taxes | | 7,679 |
| 6. | Line 4 less line 5 (no penalty if less than \$500) | | 0 |
| | | | 7,679 |
| 7. | 90% of line 4 | | |
| 8. | 1989 tax (does not apply) | | 6,911 |
| 9. | Lesser of lines 7 or 8 - total payment required | | 6,911 |

| | A | B | C | D |
|-----|--|-------------|-------------|-------------|
| | ----- | ----- | ----- | ----- |
| 10. | Payment due date | Apr 15 1990 | Jun 15 1990 | Sep 15 1990 |
| 11. | Payment required | 1,727 | 1,728 | 1,728 |
| 12. | Payments & credits | 0 | 0 | 0 |
| | | | | |
| | Estimated tax paid and tax withheld as applied: | | | |
| 13. | Paid Apr 15, 1990 | 0 | | |
| 14. | Paid Jun 15, 1990 | 0 | 0 | |
| 15. | Paid Sep 15, 1990 | 0 | 0 | |
| 16. | Paid Jan 15, 1991 | 0 | 0 | 0 |
| | | | | |
| | Underpayment and penalty computation: | | | |
| 17. | First period (line 11A less sum of:) | | | |
| | 4/15 to 6/15 (13A) | 1,727 | X .018384 | 32 |
| | 6/15 to 9/15 (13A+14A) | 1,727 | X .027726 | 48 |
| | 9/15 to 1/15 (13A+14A+15A) | 1,727 | X .036767 | 63 |
| | 1/15 to 4/15 (13A+14A+15A+16A) | 1,727 | X .027123 | 47 |
| 18. | Second period (line 11B less sum of:) | | | |
| | 6/15 to 9/15 (14B) | 1,728 | X .027726 | 48 |
| | 9/15 to 1/15 (14B+15B) | 1,728 | X .036767 | 64 |
| | 1/15 to 4/15 (14B+15B+16B) | 1,728 | X .027123 | 47 |
| 19. | Third period (line 11C less sum of:) | | | |
| | 9/15 to 1/15 (15C) | 1,728 | X .036767 | 64 |
| | 1/15 to 4/15 (15C+16C) | 1,728 | X .027123 | 47 |
| 20. | Fourth period (line 11D less:) | | | |
| | 1/15 to 4/15 (16D) | 1,728 | X .027123 | 47 |
| 21. | Sum of lines 17, 18, 19 and 20 - estimated tax penalty | | | 507 |
| 22. | Previously assessed estimated tax penalty | | | 0 |
| 23. | ESTIMATED TAX PENALTY DUE | | | 507 |

1991 - EXPLANATION OF THE FAILURE TO FILE PENALTY

Since your income tax return was not filed within the time limit prescribed by law and you have not shown that such failure to timely file your return was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) of the Internal Revenue Code.

| | | |
|--|---|----------|
| 1. Date return due (including extensions) | | 04/15/92 |
| 2. Substitute for return - computation date | | 02/16/96 |
| 3. Penalty rate | | 25.00% |
| 4. Total corrected tax liability, Form 4549, line 11 | | 7,979 |
| 5. Payments on or prior to due date of return | 0 | |
| 6. Corrected EIC and Special Fuels Credit | 0 | |
| 7. Line 4 less sum of lines 5 and 6 | | 7,979 |
| 8. Penalty - line 7 multiplied by line 3 | | 1,995 |
| 9. Minimum penalty if over 60 days delinquent | | 100 |
| 10. Greater of line 8 or line 9 | | 1,995 |
| 11. Failure to file penalty previously assessed | 0 | |
| 12. Concurrent failure to pay penalty assessed | 0 | |
| 13. Line 10 less sum of lines 11 and 12 | | |
| FAILURE TO FILE PENALTY DUE | | 1,995 |

1991 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, an addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

| | | | |
|----|--|---|-------|
| 1. | Total corrected tax liability, Form 4549, line 11 | | 7,979 |
| 2. | Certain other taxes | 0 | |
| 3. | Earned income and special fuels credits | 0 | |
| 4. | Line 1 less sum of lines 2 and 3 | | 7,979 |
| 5. | Withholding taxes | | 0 |
| 6. | Line 4 less line 5 (no penalty if less than \$500) | | 7,979 |
| 7. | 90% of line 4 | | 7,181 |
| 8. | 1990 tax (does not apply) | | |
| 9. | Lesser of lines 7 or 8 - total payment required | | 7,181 |

| | A | B | C | D |
|--|-------------|-------------|-------------|-------------|
| 10. Payment due date | Apr 15 1991 | Jun 15 1991 | Sep 15 1991 | Jan 15 1992 |
| 11. Payment required | 1,795 | 1,795 | 1,795 | 1,796 |
| 12. Payments & credits | 0 | 0 | 0 | 0 |
| Estimated tax paid and tax withheld as applied: | | | | |
| 13. Paid Apr 15, 1991 | 0 | | | |
| 14. Paid Jun 15, 1991 | 0 | 0 | | |
| 15. Paid Sep 15, 1991 | 0 | 0 | 0 | |
| 16. Paid Jan 15, 1992 | 0 | 0 | 0 | 0 |
| Underpayment and penalty computation: | | | | |
| 17. First period (line 11A less sum of:) | | | | |
| 4/15 to 6/15 (13A) | | 1,795 | X .016712 | 30 |
| 6/15 to 9/15 (13A+14A) | | 1,795 | X .025205 | 45 |
| 9/15 to 1/15 (13A+14A+15A) | | 1,795 | X .033004 | 59 |
| 1/15 to 4/15 (13A+14A+15A+16A) | | 1,795 | X .022377 | 40 |
| 18. Second period (line 11B less sum of:) | | | | |
| 6/15 to 9/15 (14B) | | 1,795 | X .025205 | 45 |
| 9/15 to 1/15 (14B+15B) | | 1,795 | X .033004 | 59 |
| 1/15 to 4/15 (14B+15B+16B) | | 1,795 | X .022377 | 40 |
| 19. Third period (line 11C less sum of:) | | | | |
| 9/15 to 1/15 (15C) | | 1,795 | X .033004 | 59 |
| 1/15 to 4/15 (15C+16C) | | 1,795 | X .022377 | 40 |
| 20. Fourth period (line 11D less:) | | | | |
| 1/15 to 4/15 (16D) | | 1,796 | X .022377 | 40 |
| 21. Sum of lines 17, 18, 19 and 20 - estimated tax penalty | | | | 457 |
| 22. Previously assessed estimated tax penalty | | | | 0 |
| 23. ESTIMATED TAX PENALTY DUE | | | | 457 |

1992 - EXPLANATION OF THE FAILURE TO FILE PENALTY

Since your income tax return was not filed within the time limit prescribed by law and you have not shown that such failure to timely file your return was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) of the Internal Revenue Code.

| | | |
|--|---|----------|
| 1. Date return due (including extensions) | | 04/15/93 |
| 2. Substitute for return - computation date | | 02/16/96 |
| 3. Penalty rate | | 25.00% |
| 4. Total corrected tax liability, Form 4549, line 11 | | 8,084 |
| 5. Payments on or prior to due date of return | 0 | |
| 6. Corrected EIC and Special Fuels Credit | 0 | |
| 7. Line 4 less sum of lines 5 and 6 | | 8,084 |
| 8. Penalty - line 7 multiplied by line 3 | | 2,021 |
| 9. Minimum penalty if over 60 days delinquent | | 100 |
| 10. Greater of line 8 or line 9 | | 2,021 |
| 11. Failure to file penalty previously assessed | 0 | |
| 12. Concurrent failure to pay penalty assessed | 0 | |
| 13. Line 10 less sum of lines 11 and 12 | | |
| FAILURE TO FILE PENALTY DUE | | 2,021 |

1992 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, an addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

| | | | |
|----|--|---|-------|
| 1. | Total corrected tax liability, Form 4549, line 11 | | 8,084 |
| 2. | Certain other taxes | | |
| 3. | Earned income and special fuels credits | 0 | |
| 4. | Line 1 less sum of lines 2 and 3 | 0 | |
| 5. | Withholding taxes | | 8,084 |
| 6. | Line 4 less line 5 (no penalty if less than \$500) | | 0 |
| | | | 8,084 |
| 7. | 90% of line 4 | | |
| 8. | 1991 tax (does not apply) | | 7,276 |
| 9. | Lesser of lines 7 or 8 - total payment required | | 7,276 |

| | A | B | C | D |
|-----|--|-------------|-------------|-------------|
| | ----- | ----- | ----- | ----- |
| 10. | Payment due date | Apr 15 1992 | Jun 15 1992 | Sep 15 1992 |
| 11. | Payment required | 1,819 | 1,819 | 1,819 |
| 12. | Payments & credits | 0 | 0 | 0 |
| | | | | |
| | Estimated tax paid and tax withheld as applied: | | | |
| 13. | Paid Apr 15, 1992 | 0 | | |
| 14. | Paid Jun 15, 1992 | 0 | 0 | |
| 15. | Paid Sep 15, 1992 | 0 | 0 | 0 |
| 16. | Paid Jan 15, 1993 | 0 | 0 | 0 |
| | | | | |
| | Underpayment and penalty computation: | | | |
| 17. | First period (line 11A less sum of:) | | | |
| | 4/15 to 6/15 (13A) | 1,819 | X .013333 | 24 |
| | 6/15 to 9/15 (13A+14A) | 1,819 | X .020109 | 37 |
| | 9/15 to 1/15 (13A+14A+15A) | 1,819 | X .023752 | 43 |
| | 1/15 to 4/15 (13A+14A+15A+16A) | 1,819 | X .017260 | 31 |
| 18. | Second period (line 11B less sum of:) | | | |
| | 6/15 to 9/15 (14B) | 1,819 | X .020109 | 37 |
| | 9/15 to 1/15 (14B+15B) | 1,819 | X .023752 | 43 |
| | 1/15 to 4/15 (14B+15B+16B) | 1,819 | X .017260 | 31 |
| 19. | Third period (line 11C less sum of:) | | | |
| | 9/15 to 1/15 (15C) | 1,819 | X .023752 | 43 |
| | 1/15 to 4/15 (15C+16C) | 1,819 | X .017260 | 31 |
| 20. | Fourth period (line 11D less:) | | | |
| | 1/15 to 4/15 (16D) | 1,819 | X .017260 | 31 |
| 21. | Sum of lines 17, 18, 19 and 20 - estimated tax penalty | | | 351 |
| 22. | Previously assessed estimated tax penalty | | | 0 |
| 23. | ESTIMATED TAX PENALTY DUE | | | 351 |

Name of Taxpayer: Lindsey K. Springer
ID Number: 444-3758

Schedule (A)

Adjustment: Exemptions

| | 1990 | 1991 | 1992 |
|-------------|--------|--------|--------|
| PER RETURN: | 0 | 0 | 0 |
| CORRECTED: | 2,050 | 2,150 | 2,300 |
| ADJUSTMENT: | -2,050 | -2,150 | -2,300 |

Explanation

It is determined that you are allowed a personal exemption in the amount of \$2,050 for 1990, \$2,150 for 1991, and \$2,300 for 1992.

Accordingly, your 1990 taxable income is decreased \$2,050, your 1991 taxable income is decreased \$2,150, and your 1992 taxable income is decreased \$2,300.

Name of Taxpayer: Lindy K. Springer
ID Number: 444-3758

Schedule (B)

Adjustment: Income

| | 1990 | 1991 | 1992 |
|-------------|--------|--------|--------|
| PER RETURN: | 0 | 0 | 0 |
| CORRECTED: | 27,710 | 28,865 | 29,634 |
| ADJUSTMENT: | 27,710 | 28,865 | 29,634 |

Explanation

It is determined that you received taxable income in the amount of \$27,710 in 1990, \$28,865 in 1991, and \$29,634 in 1992 which you neglected to report for taxation by failing to file a federal income tax return for the years stated. In the absence of adequate records, we have computed your unreported taxable income using reasonable estimates and Bureau of Labor statistics, as shown below.

Accordingly, your 1990 taxable income is increased \$27,710, your 1991 taxable income is increased \$28,865, and your 1992 taxable income is increased \$29,634.

| | 1990 | 1991 | 1992 |
|--|-------------------|-------------------|-------------------|
| | ---- | ---- | ---- |
| Income per Bureau of Labor statistics, high bracket, urban United States, four persons (husband under age thirty-five, wife and two children under age six) | \$27,710 ===== | \$28,865 ===== | \$29,634 ===== |

Name of Taxpayer: Lind K. Springer
ID Number: 444-3758

Schedule (C)

Adjustment: SELF-EMPLOYMENT TAX DEDUCTION

| | 1990 | 1991 | 1992 |
|-------------|--------|--------|--------|
| PER RETURN: | 0 | 0 | 0 |
| CORRECTED: | 1,958 | 2,039 | 2,094 |
| ADJUSTMENT: | -1,958 | -2,039 | -2,094 |

Explanation

It is determined that you are allowed a self-employment tax deduction in the amount of \$1,958 for 1990, \$2,039 for 1991, and \$2,094 for 1992.

Accordingly, your 1990 taxable income is decreased \$1,958, your 1991 taxable income is decreased \$2,039, and your 1992 taxable income is decreased \$2,094.

See Schedules 1, 2 and 3 of this notice for the computation of the self-employment tax deduction for 1990, 1991, and 1992, respectively.

Name of Taxpayer: Lind K. Springer
ID Number: 444-3758

Schedule (D)

Adjustment: STANDARD DEDUCTION

| | 1990 | 1991 | 1992 |
|-------------|--------|--------|--------|
| PER RETURN: | 0 | 0 | 0 |
| CORRECTED: | 2,725 | 2,850 | 3,000 |
| ADJUSTMENT: | -2,725 | -2,850 | -3,000 |

Explanation

Based on the filing status of married filing separate, you are allowed the standard deduction in the amount of \$2,725 for 1990, \$2,850 for 1991, and \$3,000 for 1992.

Accordingly, your 1990 taxable income is decreased \$2,725, your 1991 taxable income is decreased \$2,850, and your 1992 taxable income is decreased \$3,000.

Name of Taxpayer: Lindsey K. Springer
ID Number: 444-3758

Schedule (E)

Adjustment: SELF-EMPLOYMENT TAX

| | 1990 | 1991 | 1992 |
|-------------|-------|-------|-------|
| PER RETURN: | 0 | 0 | 0 |
| CORRECTED: | 3,915 | 4,078 | 4,188 |
| ADJUSTMENT: | 3,915 | 4,078 | 4,188 |

Explanation

It is determined that your earnings are subject to self-employment tax. Accordingly, your 1990 income tax liability is increased \$3,915, your 1991 income tax liability is increased \$4,078, and your 1992 income tax liability is increased \$4,188.

See Schedules 1, 2 and 3 of this notice for the computation of self-employment tax for 1990, 1991 and 1992, respectively.

| | 1990 | 1991 | 1992 |
|------------------------|----------|----------|----------|
| Self-Employment Income | \$27,710 | \$28,865 | \$29,634 |

See Schedule B of this notice.

=====

How to Pay Your Taxes

If you agree with our examination, pay now by sending a check or money order and your signed waiver, Form 4089.

Why is it to your advantage to pay now

- * - Decrease future interest charges
- * - Prevents assessment of failure to pay penalty
- Reduces payment of nondeductible interest
- Eliminates further contact with us

If you agree with our examination and cannot pay now

(1) Can you pay the full amount within 120 days?

- If yes, send in the signed waiver, Form 4089, now and submit the balance due when you receive a bill.
- If no, you may be eligible for a payment plan.

(2) If you would like us to consider an installment agreement, submit your written request or checks the box below and return this flyer with your signed waiver, Form 4089.

☐ I would like to be considered for an installment agreement.

You will be charged a \$43 fee if your request is approved. DO NOT include the fee with this flyer. We will send you a bill for the fee when we approve your request.

Please provide the following information so we can contact you regarding your request.

Name: _____
SSN: _____
Home telephone number () _____
Work telephone number () _____

ALSO, if you agree with our examination, PLEASE SIGN PAGE 1 OF THE WAIVER, FORM 4089, and return to us.

- * Interest and applicable penalties will continue to accrue until your balance is paid in full.